

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2539 - HB 2132**

March 7, 2014

**SUMMARY OF BILL:** Removes the four year limit on a pilot program of the Department of Health which authorizes county clerks to issue certified copies of computer abstract birth certificates to walk-in customers. Removes the population guidelines restricting this pilot program to counties with a population of over 300,000, or Davidson, Hamilton, Knox, and Shelby County. This act shall take effect upon becoming law.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Net Impact – Not Significant**

**Increase Local Revenue - \$21,400/Permissive**

**Increase Local Expenditures – Not Significant/Permissive**

**Assumptions:**

- The original program, although restricted by population guidelines, was extended to a total of eight counties (Anderson, Davidson, Hamblen, Hamilton, Knox, Shelby, Tipton, and Unicoi); however, not all of the eight counties approached participated.
- The Anderson County Clerk's office currently provides this service to its county residents. According to this office, the cost to make the office functionally able to provide this service was minimal as a network was available and very little training was necessary.
- The clerk's office charges \$13 for a copy of an abstract birth certificate.
- The \$13 collected is divided and allocated to the following entities:
  - Department of Health (State): \$4.50
  - Local Health Department (Local): \$3.50
  - County Clerk's Office (Local): \$5
- In FY12-13, the clerk's office provided approximately 40 certificates per month or 480 annually, resulting in an increase in local revenue of \$4,080 [480 x (\$3.50 + \$5)].
- In FY12-13, the Department of Health received approximately \$2,160 (480 x \$4.50) from sales of certificates issued at the Anderson County Clerk's Office.
- Approximately 0.64 percent (480 / 75,129) percent of Anderson County residents purchased copies of abstract birth certificates.
- Estimates are based upon the precept that those county clerks' offices that decide to provide this service, will charge a fee that is identical to the Anderson County Clerk's office.

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- It is assumed that 10 percent of the remaining 87 counties (nonparticipants of the program) or nine counties will now begin to provide this service.
- The size of such counties are unknown, therefore we use population to find an average number of residents who will purchase copies of abstract birth certificates.
- According to the 2010 Federal Census, Tennessee had a total population of 6,346,105.
- According to the 2010 Federal Census, the eight counties approached for this program have a total population of 2,550,081 (Anderson 75,129 + Davidson 626,681 + Hamblen 62,544 + Hamilton 336,463 + Knox 432,226 + Shelby 927,644 + Tipton 71,081 + Unicoi 18,313).
- The population in the remaining 87 counties is approximately 3,796,024 (6,346,105 - 2,550,081) or an average of 43,632 (3,796,024 / 87) people per county.
- Assuming nine county clerks' offices begin to provide this service, approximately 392,688 (43,632 x 9) individuals will be able to purchase abstract birth certificates at their county clerk's office.
- Applying the rate of birth certificate abstracts provided per Anderson County residents, it is estimated that approximately 2,513 (392,688 x 0.64 percent) will purchase birth certificates at \$13, resulting in the following increases in revenue for state and local jurisdictions:
  - Department of Health (State):  $\$4.50 \times 2,513 = \$11,309$
  - Local Health Department (Local):  $\$3.50 \times 2,513 = \$8,796$
  - County Clerk's Office (Local):  $\$5 \times 2,513 = \$12,565$
- The Department of Health provides security paper to localities for such birth certificates to be printed upon. According to the Department of Health, any increase in the amount of security paper provided to county clerks' offices due to this bill will have no significant fiscal impact on the department because of the offsetting increase in revenue. The net impact to state expenditure and revenue is not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb